

Remarks on the Economic Program and an Exchange With Reporters

June 23, 1993

The President. I just want to make a couple of remarks about where we are in the Congress today. We're at the eleventh hour of this budget debate. It's been going on for months now. And the Republican Senators say finally they're going to offer a plan. The plan clearly, if you look at all the options, will be to protect the privileged and to punish the middle class and the most vulnerable.

The Senate Finance Committee bill which was reported out last week now has 78.5 percent of the burden of new taxes falling on people with incomes above \$200,000. All the analysts say that my plan is an honest budget plan, that it will reduce the deficit at least as much, if not more, than we're saying, and it is fair. And we're working hard to pass it in the Senate.

But we ought to have some bipartisan support. We ought to have some Republican support for this. And the fact that the Republican Senators are thinking about coming out with a plan now, calling it a no-tax plan, which is really nothing but a shield to keep the wealthiest Americans from paying their fair share, even though their taxes went down for the last 12 years while the deficit exploded, is a real disservice to this country.

Economic Program

Q. Why, Mr. President, do you think the Republicans want to protect the privileged?

The President. Well, that's what they did. That's what their 12-year economic policy was all about. That's what trickle-down economics was based on, that if you just lower taxes on the wealthy enough and when you have to increase them, increase them on the middle class, and that upper income people, when they get all the economic gains, will then reinvest it, create jobs, and raise incomes. It didn't work. It has never worked in the history of the country.

I want to emphasize, I do not want to punish success. This is not what this is about. I want to reward success. My plan has real incentives for small business, for new business, for new technology. I want to reward success, and I want people to make a lot of

money. But we have to have a fair tax system, and this plan should require the vast majority of the new revenues to come from people with incomes above \$200,000 because they're the ones that got the benefits of the 1980's.

Q. Do you think their plan will get anywhere? And do you have any Republican support?

The President. No—well, I mean, look at what happened in the House when they had the same sort of thing. The Republican plan in the House lost more Republican votes than the Democratic plan lost Democratic votes.

Q. Are you looking for some kind of middle ground compromise where you might be able to bring on some Republicans?

The President. Well, I'm going to try to pass—what I think we have to do is to get this bill into conference, come out with a bill that meets our objectives: \$500 billion in deficit reduction; more cuts than tax increases; progressive tax increases; and then real incentives to reward work, to reward families, to reward investments in this economy. That's what we're trying to do. And I think we're getting close.

Interest Rates

Q. Are you willing to, sir, accept a mild increase in interest rates?

The President. For what?

Q. From the Fed.

The President. Well, whatever they do, I think, long-term interest rates will stay down. That's the key to the economy. But there's no inflation in this economy now that we can see.

Q. So they should not raise rates?

The President. That's a decision they have to make.

NOTE: The President spoke at 12:44 p.m. in the Rose Garden at the White House.

Remarks at the Presidential Scholars Awards Presentation Ceremony

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I want to thank you all for being here and welcome the Members of Congress who are